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HOUSE BILL 292

44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1999

INTRODUCED BY

E. G. Smokey Blanton

AN ACT

RELATING TO SUPPLIERS OF LIVESTOCK FEED; PROVIDING FOR A LIEN.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. SHORT TITLE. -- This act may be cited as the "Livestock Feed Supplier Lien Act".

Section 2. DEFINITIONS. -- As used in the Livestock Feed Supplier Lien Act:

A. "customer" means any person, business, association or corporation buying livestock feed for livestock;

B. "livestock" means beef cattle, dairy cattle, sheep, goats, hogs, horses, ratites and poultry;

C. "livestock feed" means commercial feeds and customer formula feeds; and

D. "supplier" means a person, business,

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1 corporation or other entity engaged in the business of selling  
2 livestock feed.

3 Section 3. EXTENT OF LIEN--PROPERTY SUBJECT TO LIEN--  
4 ATTACHMENT AND COMPLETION. --

5 A. In addition to all other rights and remedies  
6 that are provided by law, a supplier who sells livestock feed  
7 to a customer under contract, express or implied, has a lien  
8 upon the livestock to which the livestock feed was provided,  
9 upon the meat, milk, skins or wool derived from the livestock  
10 and upon the issue or increase from the livestock.

11 B. The lien shall be limited to the agreed price  
12 of the livestock feed sold and shall attach to the amount due  
13 at the date of filing the lien.

14 C. Unless the lien is released by payment or  
15 security as provided in Section 8 of the Livestock Feed  
16 Supplier Lien Act, the lien is complete when payment of the  
17 amount due is more than sixty days overdue from the date of  
18 delivery of the livestock feed or from the date of the last  
19 delivery if there is a series of deliveries.

20 Section 4. NOTICE AND INFORMATION REQUIREMENT. --

21 A. Before a lien can be applied, notice shall be  
22 provided to the customer at the time of any sale on credit in  
23 substantially the following form:

24 "The sale of livestock feed on credit is  
25 subject to the Livestock Feed Supplier

1 Lien Act. Failure to pay the amount  
2 owed for the livestock feed may result  
3 in the attachment of a lien to the  
4 proceeds of the livestock for which the  
5 feed is used or the proceeds of the  
6 livestock products produced from the  
7 livestock. "

8 B. Notice may be provided by stamping or printing  
9 the language in Subsection A of this section on the credit  
10 application or by stamping or printing that language onto  
11 invoices.

12 C. In addition to notices given by application or  
13 invoices, a supplier shall provide additional notice  
14 information to the customer by certified mail before the lien  
15 may be imposed. The notice information shall include the  
16 following:

17 (1) the fact that a lien will be imposed if  
18 the payment of the amount owed is more than thirty days  
19 overdue and that the debtor has three alternatives:

- 20 (a) to allow the lien to be filed;  
21 (b) to enter into an agreement granting  
22 a security interest; and  
23 (c) to pay the amount owed; and

24 (2) the notice shall also state that the  
25 debtor has until the tenth day after the date on which the

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1 notice is received to select one of the three alternatives and  
2 that a lien may be filed at any time after the tenth day that  
3 the debtor actually receives the notice.

4 D. Notice of the lien shall also be given by  
5 certified mail to all previous creditors filed of record  
6 holding a security interest on the livestock or the proceeds  
7 from the livestock.

8 Section 5. FILING OF LIEN. --

9 A. The lien provided for in the Livestock Feed  
10 Supplier Lien Act shall be filed in the office of the  
11 secretary of state and in the office of the county clerk of  
12 the county in which the livestock or livestock product is  
13 situate.

14 B. The filed lien shall contain the following:  
15 (1) the name and address of the supplier;  
16 (2) the name and address of the customer;  
17 (3) the location of the livestock;  
18 (4) a statement that the amount owed is more  
19 than thirty days overdue;  
20 (5) the amount that is overdue;  
21 (6) a form statement that the supplier gave  
22 notice to the customer, that more than ten days have passed  
23 since the notice was given, that the customer has not paid,  
24 given a security interest, made arrangement for payment  
25 satisfactory to the supplier or consented to the filing of the

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1 lien and a declaration that a copy of the lien is being  
2 forwarded to the customer within ten days; and

3 (7) the signature of the claimant, supplier  
4 or his agent within ten days of its filing.

5 Section 6. EFFECT OF SUIT TO ENFORCE LIEN. --If a suit is  
6 brought by the supplier to enforce a lien, the lien shall  
7 remain in effect, except as provided in Section 7 of the  
8 Livestock Feed Supplier Lien Act, until:

9 A. the supplier receives payment of the amount  
10 owed for the livestock and livestock product;

11 B. the clerk of the court in which any action is  
12 pending receives a deposit in the amount of the lien or  
13 claims; or

14 C. a court issues a judgment.

15 Section 7. LIMITATION OF ACTION TO ENFORCE. --No lien  
16 provided for in the Livestock Feed Supplier Lien Act remains  
17 valid for a longer period than one year after the claim of  
18 lien has been filed unless proceedings have been commenced in  
19 a court of competent jurisdiction within that time to enforce  
20 the lien.

21 Section 8. METHOD FOR RELEASE. --A lien under the  
22 Livestock Feed Supplier Lien Act may be released by:

23 A. payment made to the supplier for the amount  
24 owed;

25 B. a corporate surety bond, cash deposit or other

1 security, if the value of the claim on the livestock or  
2 livestock product is secured; or

3 C. arrangements being made for payment that are  
4 satisfactory to the supplier.